

Article - Public Utilities

[\[Previous\]](#)[\[Next\]](#)

§7-548.

(a) (1) (i) Notwithstanding any other provision of this article, but subject to paragraphs (2) through (4) of this subsection, an electric company to which this part applies shall file tariffs with the Commission that implement a rate stabilization plan consistent with this part.

(ii) 1. The Commission shall review the tariffs required under subparagraph (i) of this paragraph.

2. Within 20 days after the filing of the tariffs required under subparagraph (i) of this paragraph, the Commission shall issue an order implementing the rate stabilization plan in accordance with this part and Part III of this subtitle.

3. The order issued by the Commission shall include a requirement that the electric company establish regulatory assets to account for the rate stabilization costs deferred under the rate stabilization plan.

(2) Under the rate stabilization plan, the residential standard offer service rate shall recover the costs to the electric company under § 7-510(c)(3) of this subtitle deferred during the period July 1, 2006 through May 31, 2007.

(3) Any credit or charges to the cost of standard offer service for residential electric customers required or authorized under this part shall be included as a nonbypassable credit or charge on the electric distribution portion of the bill of each residential electric customer of the electric company.

(4) An electric company may apply to the Commission for a qualified rate order under Part III of this subtitle for the financing and recovery of its rate stabilization costs.

(b) (1) The increase in the total rates charged to each residential electric customer on standard offer service, as compared with the total rates for residential electric customers in effect on June 30, 2006, shall be:

(i) from July 1, 2006 through May 31, 2007, 15% of the total rate in effect on June 30, 2006; and

(ii) from June 1, 2007, at the option of the customer, to:

1. the full market rate; or
2. an intermediate level under an opt-in short-term rate stabilization plan as allowed under § 7-510(c) of this subtitle which will smooth the transition to the full market rate for residential customers without adversely affecting the creditworthiness of the electric company.

(2) Standard offer service for residential electric customers shall be at full market rates under this part starting January 1, 2008.

(3) A rate stabilization cost may not be recovered before January 1, 2007.

(4) For purposes of calculating the rates to be charged under paragraph (1) of this subsection, the rate stabilization charge may not be considered to be part of the total rates charged to residential electric customers.

(5) The Commission need not conduct evidentiary proceedings under § 7-510(c)(7)(i) of this subtitle to determine the second or subsequent phase of the transition to full market rates under this part.

(c) (1) The electric company shall provide each residential electric customer a deferral credit equal to the difference between the cost incurred by the electric company under § 7-510(c)(3) of this subtitle and the rates authorized in subsection (b)(1) of this section.

(2) (i) The total amount of cost recovery deferred through deferral credits provided to residential electric customers shall be a rate stabilization cost to be recovered as a regulatory asset.

(ii) The total cost deferred may be secured under Part III of this subtitle.

(3) (i) Subject to subparagraph (ii) of this paragraph, the electric company shall perform a reconciliation of any overcollection or undercollection of the deferred costs and expenses resulting from this rate stabilization plan:

1. each year during the rate stabilization plan; and
2. within 90 days after the end of the rate stabilization plan.

(ii) To the extent that securitization is implemented under Part III of this subtitle, any reconciliations made in accordance with subparagraph (i) of this paragraph shall be in addition to any reconciliations made under Part III of this subtitle.

(d) Rate stabilization costs shall be recovered by the electric company from the residential electric customers through a usage-based rate stabilization charge over a period not to exceed 10 years.

(e) Notwithstanding any other provision of this subtitle, as approved by the Commission, an electric company may receive a modification in distribution and transmission rates while the rate stabilization plan is in effect. However, the modification may not alter the rate stabilization charges approved in accordance with Part III of this subtitle.

[\[Previous\]](#)[\[Next\]](#)